Adoption of Commercial EDI Standards
for
DoD Logistics Business Transactions
Integrated Product Team Kick-Off
January 20, 1999

Mr. Zack Goldstein
Director, Logistics System Modernization
Deputy Under Secretary of Defense for Logistics
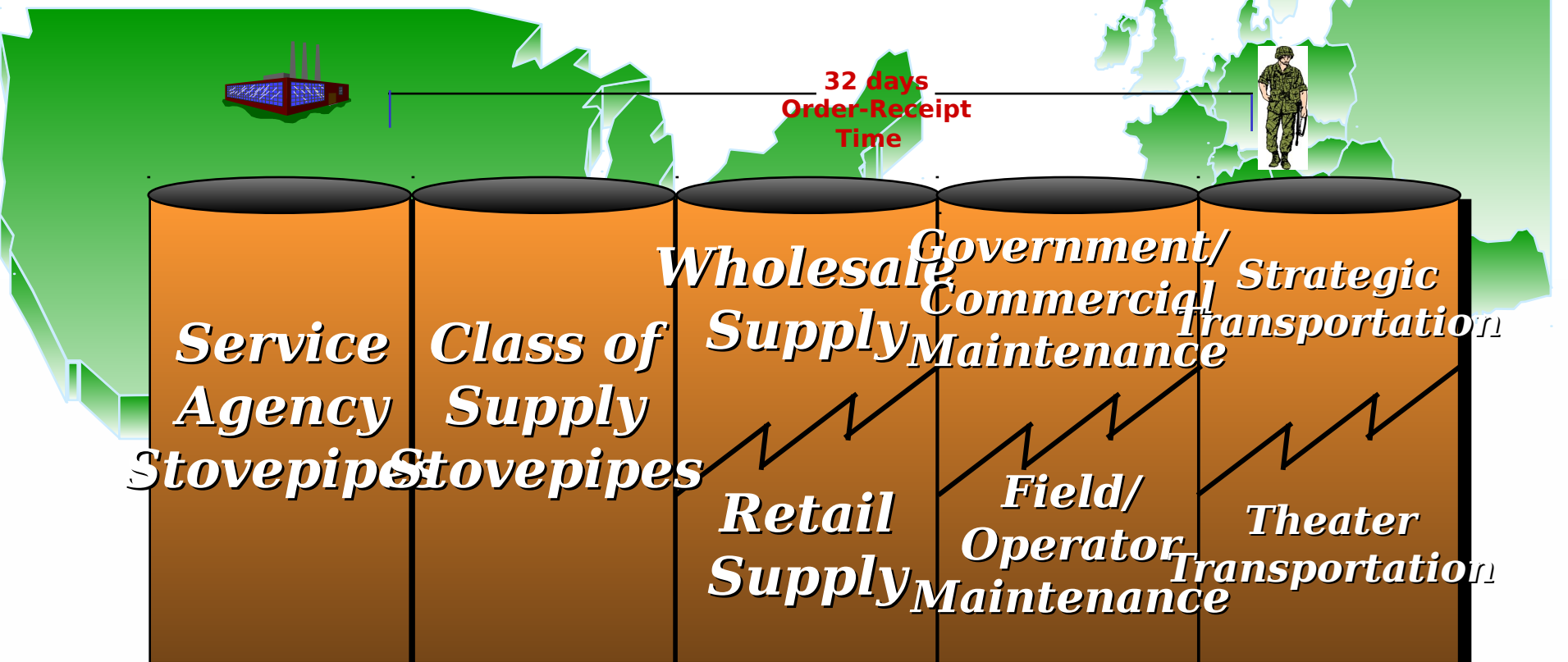
Commercial EDI Standards
For Logistics

Outline:

✓ **Today's Logistics Reality**

✓ **The Desired End State**

✓ **DUSD(L)(LSM) Focus Areas**

✓ **DUSD(L)(LSM) Systems Focus**

✓ **Role of DRID #48**

✓ **The DLSS Environment**

✓ **The ANSI ASC X12 Environment**

✓ **Responsibilities/Conclusion**

Commercial EDI Standards
For Logistics

The End State:

LOG C2 (EDI)

(W/S Readiness, Distribution, Force Projection)

Commercial Supply Chain Practices

Manufacturing Partners

Distribution Partners

Government production

Commercial/Military Force Movement

Logistics Planning & Execution

Military Logistics Operations

Simulation-Based Acquisition

Automated Configuration Identification & Transaction Routing

INDUTSRIAL BASE

WARFIGHTER

Std industry Interface

Structural Data

Intelligent Product Data Models (STEP+)

Transaction Data

ANSI EC/EDI

Common User Interface

Modernized DOD Component Supply Chain Systems
Commercial Systems, Commercial Information Service,
Commercial Applications and Infrastructure Tailored for Competitive Advantage

3

Commercial EDI Standards
For Logistics

DUSD(L)(LSM) Focus Areas

Systems

- **Modernization**
  - Process
  - Plans
  - Critical Elements
- **Corporate Functions and Interfaces**
- **Y2K**

Information Management

- **Information Ownership**
- **Metrics**
  - Investment
  - Operations
  - Modernization
- **Information Assurance**

Infrastructure

- **COE Policy**
- **Enterprise Infrastructure Requirements**

Commercial EDI Standards
For Logistics

DUSD(L)(LSM) Systems Focus

Systems

- **Modernization**
  - Process
  - Plans
  - Critical Elements
- **Corporate Functions and Interfaces**
- **Y2K**

- **All DoD Components Need to Modernize For Immediate Gains & to Remove Barriers to Process Improvement**
- **Commercial Data Interchange Policy Under Development**
  - Supports interaction with commercial logistics providers at any appropriate echelon
  - Allows DoD components' modernization to progress independently
- **Commercial Applications**
  - Embedded business rules allow focus on transition to new logistics processes
  - Packages are cross-functionally

Commercial EDI Standards
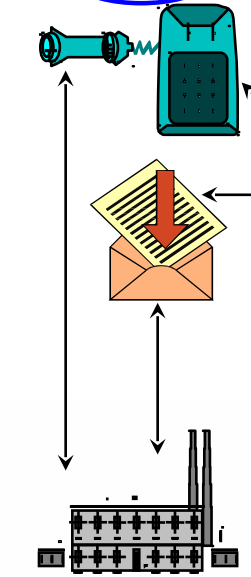## *For Logistics*

Role of DRID #48:

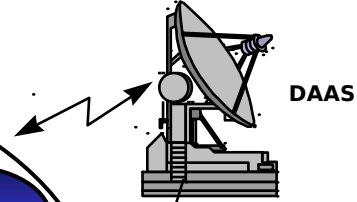- ### *Adopts commercial EDI standards for logistics.*

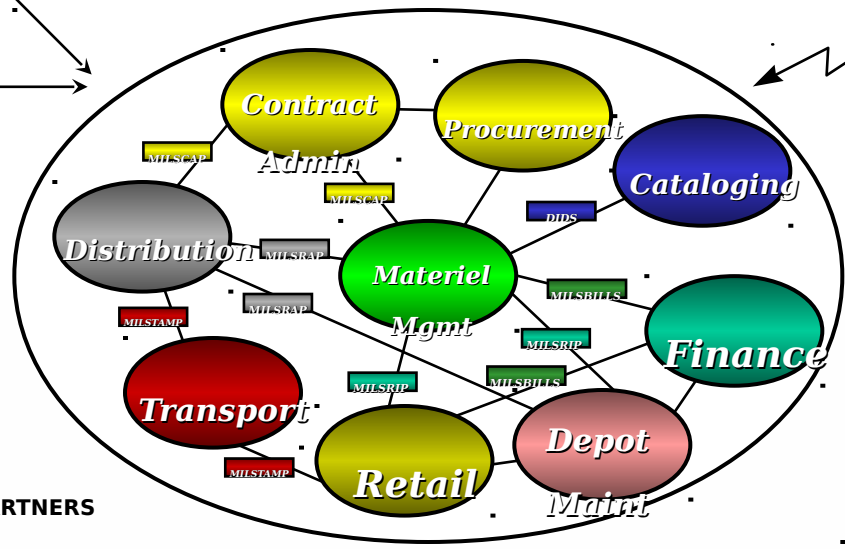| *Jointly developed (LOG/JECPO)* | → | *Staffed with universal acceptance* | → | *Provides policy that:* |

☑ ### *Provides process enabler.*

☑ ### *Stepping stone to international open standards.*

☑ ### *...ices and Agencies have the "burden of proof" for cont... reliance on antiquated EDI standards.*

☑ ### *Resources:*

- #### *Corporate = Cost of expanded translation servic...*

- #### *Services/Agencies = Embedded in Log Sys Mod (... cost of modernization)*

Commercial EDI Standards
For Logistics

State of the Infrastructure:
... the "DLSS" environment ...

DAAS

Contract Admin
Procurement
Cataloging
MILSCAP
MILSCAP
DIDS
Distribution MILSRAP
Materiel Mgmt
MILSBILLS
MILSTAMP
MILSRAP
MILSRIP
Finance
MILSRIP
MILSBILLS
Transport
Depot Maint
MILSTAMP
Retail

1000 + TRADING PARTNERS

- **30+ years old ... DoD proprietary format**
- **80-character fixed-length records ... 524 formats**
- **Embedded in logistics pro ...1000+ information syste**
- **2 billion exchanges annua**

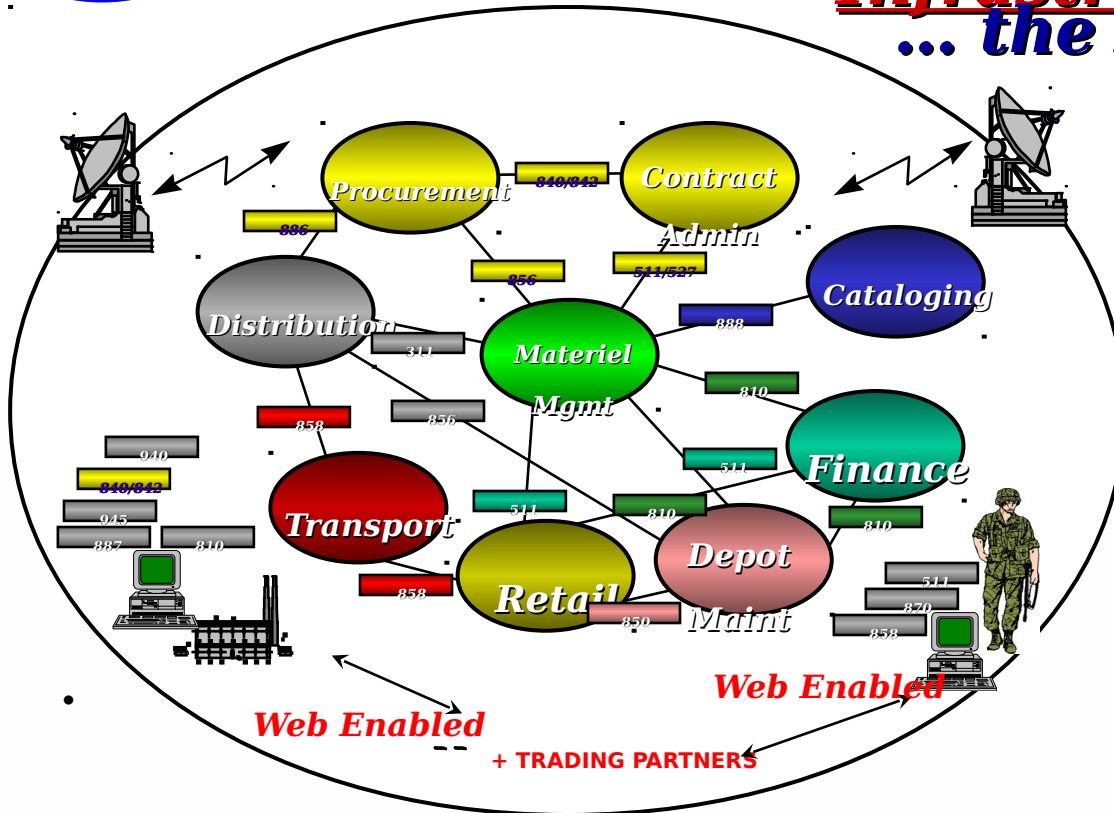- *MOST TRANSACTIONS ARE DIRECT MACHINE TO MACHINE INTERFACES*

MILSTRIP	MILSTRAP	MILSBILLS	MILSTAMP	MILSCAP	DIDS	ANSI ASC X12
374M/YR	102M/YR	34M/YR	25M/YR	193K/YR	200M/YR	750K/YR
7M/WK	2M/WK	653K/WK	480K/WK	4K/WK	4M/WK	14K/WK

- **Inflexible to required process changes**
- **Incompatible with private sector**
- **No room for additional information**

Commercial EDI Standards
For Logistics

The Envisioned Infrastructure:
... the ANSI X.12 environm

- In step with finance, procurement, & civil agencies ... facilitates integratio

- In step with 95% of the Fortune 100 companies ... facilitates electronic partnerships with industry

- Pre-requisite for re-engineering (e.g., facilitates adopting commercial practices w/COTS (Software), third pe log support)

- Expand electronic commerce ... (e.g.., maintenance, warehousing

Diagram labels:
Procurement — 840/842 — Contract Admin
888
956
511/527
Cataloging
Distribution
888
311
Materiel Mgmt
810
858
856
Finance
940
840/842
511
945
887 — 810
Transport
511 — 810
810
858
Depot
511
Retail — 850 — Maint
870
858
Web Enabled
Web Enabled
+ TRADING PARTNERS

- **Links warfighter to commercial sector**
- **Responsive to new process opportunities**
- **Facilitates adoption of commercial practice**

Commercial EDI Standards
For Logistics

Responsibilities:

- **DRID #48 - Adoption of commercial EDI stand**
  - A&T providing top level management
  - DUSD(L) providing policy and oversight
  - Services and agencies ensuring implementation
- **JECPO - leading IPT - developing implementa**
  - Logistics process improvements/business system upgrad
    Service supply chain owners and evidenced in the implem
  - Identification of "joint requirements" and "actions" (trans

Conclusion:
sults of this IPT will enable a fundamental transformation of log